4.12	--	Amended and Restated Registration Rights Agreement, dated as of December 13, 1999, by and among Classic Communications, Inc., Brera Classic, LLC and the additional parties named therein (incorporated by reference to Exhibit 4.12 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Commission File No. 1-15427).
4.13	--	Exchange and Registration Rights Agreement, dated February 16, 2000, by and among Classic Cable, Inc., Goldman Sachs & Co., Merrill Lynch and Co., Chase Securities, Inc. and Donaldson, Lufkin & Jenrette (incorporated by reference to Exhibit 4.11 to Classic Cable, Inc.'s S-4 dated April 14, 2000, Registration No. 333-34850).
10.5	--	Employment Agreement dated as of April 24, 2000 by and between Classic Communications, Inc., Classic Cable, Inc. and Dale R. Bennett (incorporated by reference to Exhibit 10.1 the Company's report on Form 10-Q for the fiscal quarter ended September 30, 2000, Commission File No. 1-15427).
10.6	--	Employment Agreement dated as of November 3, 2000 by and between Classic Communications, Inc., Classic Cable, Inc. and Daniel J. Pike (incorporated by reference to Exhibit 10.6 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, Commission File No. 1-15427).
10.7	--	Employment Agreement dated as of September 11, 2000 by and between Classic Communications Inc., Classic Cable, Inc. and Todd Cruthird (incorporated by reference to Exhibit 10.7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, Commission File No. 1-15427).
10.8	--	Consulting Agreement dated as of December 21, 2000 among Classic Communications, Inc., C Cable, Inc., J. Merritt Belisle, and The Black Creek Group (incorporated by reference to Exhibit 10.8 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, Commission File No. 1-15427).
10.9	--	Separation of Employment agreement dated as of January 26, 2001 by and between Classic Communications, Inc., Classic Cable, Inc., and Steven E. Seach (incorporated by reference Exhibit 10.9 of the Company's Annual Report on Form 10-K for the fiscal year ended Decem 2000, Commission File No. 1-15427).
10.10	--	Termination Agreement dated as of January 15, 2001 by and between Classic Communications, and Ronald W. Martin (incorporated by reference to Exhibit 10.10 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, Commission File No. 1-1

10.11	--	Services agreement dated as of January 18, 2001 by and between Classic Communications, I and James A. Kofalt (incorporated by reference to Exhibit 10.11 of the Company's Annual on Form 10-K for the fiscal year ended December 31, 2000, Commission File No. 1-15427).
10.12	--	Amended and Restated Credit Agreement dated July 28, 1999 among Classic Cable, Inc., as Borrower, the Lenders Parties thereto, Goldman Sachs Credit Partners, L.P., as Lead Arranger and Syndication Agent, and The Chase Manhattan Bank, as Documentation Agent, and Union Bank of California, N.A., as Administrative Agent. (incorporated by reference to Exhibit 10.6 of the Company's Registration Statement on Form S-4, Registration No. 333-63641).
10.13	--	Amendment and Waiver No. 1 to the Amended and Restated Credit Agreement dated November 15, 1999 among Classic Cable, Inc., as Borrower, the Lenders Parties thereto, Goldman Sachs Credit Partners, L.P., as Lead Arranger and Syndication Agent, and The Chase Manhattan Bank, as Documentation Agent, and Union Bank of California, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.14 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Commission File No. 1-15427).
10.14	--	Amended and Restated Credit Agreement dated January 31, 2000 among Classic Cable, Inc., as Borrower, the Lenders Parties thereto, Goldman Sachs Credit Partners, L.P., as Lead Arranger and Syndication Agent, and The Chase Manhattan Bank, as Documentation Agent, and Union Bank of California, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.15 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Commission File No. 1-15427).
10.15	--	Amendment and Waiver No. 3 to the Amended and Restated Credit Agreement dated September 29, 2000 among Classic Cable, Inc., as Borrower, the Lenders Parties thereto, Goldman Sachs Credit Partners, L.P., as Lead Arranger and Syndication Agent, and The Chase Manhattan Bank, as Documentation Agent, and Union Bank of California, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 of the Company's report on Form 10-Q for the fiscal quarter ended September 30, 2000, Commission File No. 1-15427).
10.16	--	Facilities Commitment Letter, dated June 24, 1999, between Classic Cable, Inc. and Goldman Sachs Credit Partners L.P. (incorporated by reference to Exhibit 10.7 of the Company's Registration Statement on Form S-4, Registration No. 333-63641).
10.17	--	Asset Purchase Agreement dated May 14, 1998 by and between Cable One, Inc. and Black Cree Communications, Inc. (incorporated by reference to Exhibit 10.8 of the Company's Registr Statement on Form S-4, Registration No. 333-63641).

10.18	--	Assignment of Asset Purchase Agreement dated June 19, 1998. (incorporated by reference t(Exhibit 10.8(b) of the Company's Registration Statement on Form S-4, Registration No. 333-63641).
10.19	--	Amendment No. 1 to Asset Purchase Agreement dated July 15, 1998. (incorporated by referei Exhibit 10.8(c) of the Company's Registration Statement on Form S-4, Registration No. 333-63641).
10.20	--	1996 Restricted Stock Award Plan of Classic Communications, Inc. (incorporated by reference to Exhibit 10.9 of the Company's Registration Statement on Form S-4, Registration No. 333-63641).
10.21	--	1998 Restricted Stock Award Plan of Classic Communications, Inc. (incorporated by reference to Exhibit 10.10 of the Company's Registration Statement on Form S-4, Registration No. 333-63641).
10.24	--	Form of Stock Option Agreement relating to August 25, 1999 and December 7, 1999 grants (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Commission File No. 1-15427).
10.25	--	Classic Communications, Inc. 1999 Omnibus Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10.5 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Commission File No. 1-15427).
10.26	--	Investment Agreement dated as of May 24, 1999 between Brera Classic, LLC and Classic Communications, Inc. (incorporated by reference to Exhibit 10.11 of the Company's Registration Statement on Form S-4, Registration No. 333-63641).
10.27	--	Management and Advisory Fee Agreement dated May 24, 1999 (incorporated by reference to Exhibit 10.12 of the Company's Registration Statement on Form S-4, Registration No. 333-(
10.28	--	Employee Loan/Stock Purchase Incentive Plan of Classic Communications, Inc. (incorporate(reference to Exhibit 10.3 of the Company's report on Form 10-Q for the fiscal quarter ended September 30, 2000, Commission File No. 1-15427).
10.29	--	Secured Super-Priority Debtor in Possession Revolving Credit Agreement, dated as of November 13, 2001, among Classic Cable, Inc., as debtor and debtor in possession, as Borrower; Classic Communications, Inc., as debtor and debtor in possession, as Parent Guarantor; the subsidiaries of the borrower party thereto, as debtors and debtors in possession, as Subsidiary Guarantors; the lenders and issuers from time to time party thereto; and Goldman Sachs Credit Partners L.P., as Administrative Agent, Lead Arranger and Syndication Agent (incorporated by reference to Exhibit 10.1 of the Company's report on Form 10-Q for the fiscal quarter ended September 30, 2001, Commission File No. 1-15427).

10.30	--	Employment Agreement dated as of May 1, 2001, by and between Classic Communications, Inc Classic Cable, Inc. and Jimmie Taylor.
10.31	--	Separation of Employment agreement dated as of November 6, 2001, by and between Classic Communications, Inc., Classic Cable, Inc., and Kay Monigold.
10.32	--	Amended and Restated Classic Cable, Inc. Key Employee Retention Plan dated as of Decembe 2001, by and between Classic Cable, Inc., and eligible employees of Classic Cable, Inc.
12.1	--	Ratio of Earnings to Fixed Charges
21.1	--	Subsidiaries of Classic Communications, Inc.
23.1	--	Consent of PricewaterhouseCoopers LLP

(b) Reports on Form 8-K

On November 13, 2001, we filed a Form 8-K announcing that we and our subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code.

On March 19, 2002, we filed a Form 8-K announcing that we issued a press release stating that Cable is in negotiations to amend its Debtor-in-Possession Revolving Credit Facility because Cable is in default of its covenants.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLASSIC COMMUNICATIONS, INC.

Date: April 1, 2002 By: /s/ Jimmie Taylor

Jimmie Taylor
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<Caption>

Signature	Title	Date
/s/ Jimmie Taylor Jimmie Taylor	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	April 1, 2002
/s/ Dale Bennett Dale Bennett	Chief Operating Officer and President (Principal Executive Officer)	April 1, 2002
/s/ James A. Kofalt James A. Kofalt	Director and Chairman of the Board	April 1, 2002
/s/ Alberto Cribiore Alberto Cribiore	Director and Vice Chairman of the Board	April 1, 2002
/s/ John Geisler John Geisler	Director	April 1, 2002
/s/ Carl D. Harnick Carl D. Harnick	Director	April 1, 2002
/s/ Lisa A. Hook Lisa A. Hook	Director	April 1, 2002
/s/ Martin D. Payson Martin D. Payson	Director	April 1, 2002

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
Classic Communications, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of stockholders' equity (deficit) and of cash flows present fairly, in all material respects, the financial position of Classic Communications, Inc. and its subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company and all of its subsidiaries filed for reorganization under Chapter 11 of the United States Bankruptcy Code in November 2001, which raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

PricewaterhouseCoopers LLP

Austin, Texas
March 11, 2002

CLASSIC COMMUNICATIONS, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

<Caption>

	DECEMBER 31 2001	DECEMBER 31 2000
Assets		
Current:		
Cash and cash equivalents	$ 7,641	$ 19,056
Accounts receivable, net	8,047	13,446
Prepaid expenses	1,971	926
Total current assets	17,659	33,428
Deferred financing costs, net	3,182	19,772
Investment in cable television systems:		
Inventory	7,323	13,929
Property, plant and equipment	385,992	373,817
Less accumulated depreciation	(144,692)	(98,364)
Property, plant and equipment, net	241,300	275,453
Intangible assets:		
Customer relationships	85,378	200,666
Franchise marketing rights	77,354	204,744
Noncompete agreements	24,900	28,375
Goodwill	30,490	109,927
	218,122	543,712
Less accumulated amortization	(23,927)	(141,715)
Intangible assets, net	194,195	401,997
Total investment in cable television systems	442,818	691,379
Total assets	$ 463,659	$ 744,579
Liabilities and Stockholders' Equity (Deficit)		
Liabilities:		
Current:		
Accounts payable	$ 960	$ 10,290
Subscriber deposits and unearned income	6,563	7,649
Other accrued expenses	13,103	31,020
Accrued interest	520	16,565
Current portion of long-term debt	201,871	511
Total current liabilities	223,017	66,035
Long-term debt, net	--	558,525
Liabilities subject to compromise	441,400	--
Total liabilities	664,417	624,560
Stockholders' equity (deficit):		
Preferred stock: $.01 par value; 2001 and 2000 -- 10,000,000 shares authorized, none issued and outstanding	--	--
Class A voting common stock: $.01 par value; 2001 -- 120,000,000 authorized, 10,618,392 issued and outstanding; 2000 -- 120,000,000 authorized, 10,411,494 issued and outstanding	106	105
Class B voting common stock, convertible to Class A voting common stock: $.01 par value; 2001 -- 45,000,000 authorized, 7,116,973 issued and outstanding; 2000 -- 45,000,000 authorized, 7,203,311 issued and outstanding	71	72
Nonvoting common stock, convertible to voting common stock: $.01 par value; 2001 -- 7,500,000 authorized, 56,928 issued and outstanding; 2000 -- 7,500,000 authorized, 177,487 issued and outstanding	1	2
Additional paid-in capital	306,703	306,703
Unearned compensation	(450)	(644)
Accumulated deficit	(507,189)	(186,219)
Total stockholders' equity (deficit)	(200,758)	120,019
Total liabilities and stockholders' equity (deficit)	$ 463,659	$ 744,579

See accompanying notes.

CLASSIC COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

<Caption>

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
Revenues	$ 177,304	$ 182,349	$ 114,405
Operating expenses:			
Programming	60,834	56,541	32,901
Plant and operating	26,224	20,052	12,744
General and administrative	31,895	26,563	17,126
Marketing and advertising	3,452	3,673	1,929
Corporate overhead	12,677	5,836	9,721
Depreciation and amortization	99,212	88,524	51,484
Asset impairment	199,613	--	--
Chapter 11 related reorganization items	16,099	--	--
Total operating expenses	450,006	201,189	125,905
Loss from operations	(272,702)	(18,840)	(11,500)
Interest expense	(57,741)	(56,278)	(40,775)
Other income (expense)	9,473	2,710	605
Loss before income taxes and extraordinary item	(320,970)	(72,408)	(51,670)
Income tax benefit	--	20,182	11,901
Loss before extraordinary item	(320,970)	(52,226)	(39,769)
Extraordinary loss on extinguishment of debt, net of taxes of $7,010 in 2000 and $2,539 in 1999	--	(14,767)	(4,093)
Net loss	$(320,970)	$ (66,993)	$ (43,862)
Basic and diluted loss per share:			
Loss per share before extraordinary item	$ (18.09)	$ (2.96)	$ (6.24)
Extraordinary loss on extinguishment of debt	--	(0.84)	(0.64)
Loss per share	$ (18.09)	$ (3.80)	$ (6.88)

See accompanying notes.

CLASSIC COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(IN THOUSANDS, EXCEPT SHARE DATA)

<Caption>

	VOTING COMMON STOCK, CLASS A		VOTING COMMON STOCK, CLASS B		VOTING COMMON STOCK		NONVOTING COMMON STOCK	
	SHARES ISSUED	AMOUNT	SHARES ISSUED	AMOUNT	SHARES ISSUED	AMOUNT	SHARES ISSUED	AM(
Balance at December 31, 1998	--	$ --	--	$ --	1,720,608	$ 17	1,528,261	$
Exercise and payment of warrants	--	--	--	--	152,411	2	30,223	
Exchange of common stock	--	--	8,363,753	84	(8,363,753)	(84)	--	
Conversion of common stock	2,237,500	22	(856,503)	(9)	--	--	(1,380,997)	
Issuance of common stock	7,250,000	73	--	--	6,490,734	65	--	
Expenses related to equity transactions	--	--	--	--	--	--	--	
Compensation on restricted stock	--	--	--	--	--	--	--	
Net loss	--	--	--	--	--	--	--	
Balance at December 31, 1999	9,487,500	95	7,507,250	75	--	--	177,487	
Conversion of common stock	303,939	3	(303,939)	(3)	--	--	--	
Issuance of common stock	620,055	7	--	--	--	--	--	
Compensation on restricted stock	--	--	--	--	--	--	--	
Net loss	--	--	--	--	--	--	--	
Balance at December 31, 2000	10,411,494	105	7,203,311	72	--	--	177,487	
Conversion of common stock	206,898	1	(86,338)	(1)	--	--	(120,559)	
Compensation on restricted stock	--	--	--	--	--	--	--	
Net loss	--	--	--	--	--	--	--	
Balance at December 31, 2001	10,618,392	$ 106	7,116,973	$ 71	--	$ --	56,928	$

<Caption>

	ADDITIONAL PAID-IN CAPITAL	UNEARNED COMPENSATION	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY (DEFICIT)
Balance at December 31, 1998	$ 30,464	$ (1,920)	$ (75,364)	$ (46,788)
Exercise and payment of warrants	(2)	--	--	--
Exchange of common stock	--	--	--	--
Conversion of common stock	--	--	--	--
Issuance of common stock	268,715	--	--	268,853
Expenses related to equity transactions	(7,141)	--	--	(7,141)
Compensation on restricted stock	--	1,920	--	1,920
Net loss	--	--	(43,862)	(43,862)
Balance at December 31, 1999	292,036	--	(119,226)	172,982
Conversion of common stock	--	--	--	--
Issuance of common stock	14,667	(772)	--	13,902

Compensation on restricted stock	--	128	--	128
Net loss	--	--	(66,993)	(66,993)
Balance at December 31, 2000	306,703	(644)	(186,219)	120,019
Conversion of common stock	--	--	--	(1)
Compensation on restricted stock	--	194	--	194
Net loss	--	--	(320,970)	(320,970)
Balance at December 31, 2001	$ 306,703	$ (450)	$ (507,189)	$ (200,758)

See accompanying notes.

CLASSIC COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

<Caption>

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
OPERATING ACTIVITIES			
Net loss	$(320,970)	$ (66,993)	$ (43,862)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Provision for doubtful accounts	11,263	3,770	1,585
Depreciation	51,259	37,911	20,884
Amortization of intangibles	47,953	50,613	30,600
Impairment charge	199,613	--	--
Non-cash reorganization costs	15,433	--	--
Amortization of deferred financing costs	2,307	2,166	1,731
Discount accretion on long-term debt	--	507	8,720
Gain on sale of cable system	(9,457)	(370)	--
Non-cash compensation	194	128	1,920
Deferred tax benefit	--	(27,192)	(14,440)
Loss on sale/disposal of property, plant and equipment	605	--	--
Extraordinary loss	--	21,777	6,632
Changes in working capital, net of acquisition amounts:			
Change in accounts receivable	(5,864)	(7,413)	(3,005)
Change in prepaid expenses	(1,045)	848	(158)
Change in liabilities subject to compromise	(9,929)	--	--
Change in other accruals and payables	26,592	12,458	2,072
Change in accrued interest	12,730	5,440	5,242
Net cash provided by (used in) operating activities	20,684	33,650	17,921
INVESTING ACTIVITIES			
Acquisition of cable television systems, net of cash acquired	--	(112,845)	(292,601)
Inventory purchases, net of returns	(18,055)	(3,554)	--
Purchases of property, plant and equipment	(47,431)	(76,714)	(32,435)
Proceeds from sales of property, plant and equipment	536	--	--
Payments for other intangibles	(143)	(3,238)	(425)
Net proceeds from sale of cable system	13,309	998	--
Net cash provided by (used in) investing activities	(51,784)	(195,353)	(325,461)
FINANCING ACTIVITIES			
Proceeds from long-term debt	21,500	241,031	420,500
Repayments of long-term debt	(665)	(208,957)	(187,385)
Financing costs	(1,150)	(9,438)	(20,818)
Sales of common stock, net of offering costs	--	--	261,712
Payment of premium on redeemed notes	--	(10,265)	(860)
Net cash provided by (used in) financing activities	19,685	12,371	473,149
Increase (decrease) in cash and cash equivalents	(11,415)	(149,332)	165,609
Cash and cash equivalents at beginning of year	19,056	168,388	2,779
Cash and cash equivalents at end of year	$ 7,641	$ 19,056	$ 168,388
Cash taxes paid	$ --	$ --	$ 87
Cash interest paid	$ 31,846	$ 48,136	$ 25,051
Non-cash investing and financing activities:			
Year-end accrual of inventory	$ --	$ 10,375	$ --
Stock issued as partial payment for cable			

television purchase	$ --	$ 13,889	$ --

See accompanying notes.

CLASSIC COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2001

1. ORGANIZATION

Classic Communications, Inc., through its subsidiaries (collectively, the "Company"), acquires, develops and operates cable television systems throughout the United States. The Company is a holding company with no assets or operations other than its investments in its direct and indirect subsidiaries. The Company's sole direct subsidiary is Classic Cable, Inc. ("Cable").

2. BANKRUPTCY PROCEEDINGS

On November 13, 2001, the Company and all of its wholly owned subsidiaries filed voluntary petitions for reorganization under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the "Court"). The Company and each of its debtor subsidiaries continue to manage their businesses as a debtor-in-possession. The Chapter 11 cases are being jointly administered under Case No. 01-11257. As debtors-in-possession, management is generally authorized to operate the businesses, but may not engage in certain transactions, including those outside the ordinary course of business, unless approved by the Court. After the Chapter 11 filings, the Company obtained several Court orders authorizing the payment of certain pre-petition liabilities (such as certain employee wages and benefits and programming fees) and taking certain actions designed to preserve the going concern value of the business and thereby enhance the reorganization prospects.

Under bankruptcy law, absent a court order, actions by creditors to collect certain pre-petition indebtedness owed by the Company at the filing date are stayed and certain other pre-petition contractual obligations may not be enforced against the Company. In addition, the Company has the right, subject to Court approval and other conditions, to assume or reject any pre-petition executory contracts and unexpired leases. Parties affected by these rejections may file claims with the Court. The amounts of claims filed by creditors could be significantly different from the amounts recorded by the Company. Due to material uncertainties, it is not possible to predict the length of time the Company will operate under Chapter 11 protection, the outcome of the proceedings in general, whether the Company will continue to operate under its current organizational structure, the effect of the proceedings on the Company's businesses or the recovery by creditors and equity holders of the Company.

A final order of the Court approved a $30 million secured super-priority debtor-in-possession revolving credit agreement ("DIP Financing") for Cable with Goldman Sachs Credit Partners L.P. ("Goldman Sachs") as administrative agent, lead arranger and syndication agent. The Company, along with all of its subsidiaries, guaranteed Cable's obligations under the DIP Financing and has pledged its assets in connection with such guarantee. As of December 31, 2001, Cable was not in compliance with certain covenants contained therein. See Note 7 for further discussion.

Pursuant to the Bankruptcy Code, schedules have been filed by the Company with the Court setting forth the assets and liabilities of the Company as of the date of the filing. Differences between amounts recorded by the Company and claims filed by creditors will be investigated and resolved as part of the proceedings in the Chapter 11 cases. The bar date for filing proofs of claim against the Company is March 29, 2002 (May 13, 2002 for governmental entities). Accordingly, the ultimate number and allowed amount of such claims are not presently known.

These financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets, and payment of post-petition liabilities in the ordinary course of business. As a result of the Chapter 11 filings, there is no assurance that the carrying amounts of assets will be realized or that liabilities will be settled for amounts recorded. After negotiations with various parties in interest, the Company expects to present a plan of reorganization to restructure its obligations. The proposed plan of reorganization could change the amounts reported in the financial statements and cause a material change in the carrying amount of assets and liabilities.

These financial statements have also been prepared in accordance with the AICPA's Statement of Position 90-7 Financial Reporting by Entities in Reorganization Under the Bankruptcy Code ("SOP 90-7"). SOP 90-7 requires segregating pre-petition liabilities that are subject to compromise and identifying all transactions and events that are directly associated with the reorganization of the Company. Also in accordance with SOP 90-7, after the filing date, interest has no longer been accrued on any unsecured and undersecured debt.

In the fourth quarter of 2001, the Company accelerated the amortization of its debt-related costs attributable to the senior subordinated notes and recorded a pretax expense of approximately $15.4 million, which is classified as Chapter 11 related reorganization items.

Contractual interest expense not accrued or recorded on the senior subordinated notes totaled $4.9 million for 2001.

The liabilities subject to compromise in the Consolidated Balance Sheets consist of the following items at December 31 (in thousands):

<Caption>

	2001
Accounts payable	$ 22,633
Subscriber deposits and unearned income	164
Other accrued expenses	11,828
Accrued interest	28,775
Long-term debt	378,000
	$441,400

The amounts classified as Chapter 11 related reorganization items in the Consolidated Statements of Operations consist of the following for the year ended December 31 (in thousands):

<Caption>

	2001
Accelerated amortization of debt issuance costs	$15,433
Professional fees	666
	$16,099

The Company believes, based on information presently available to it, that cash available from operations and the DIP Financing will provide sufficient liquidity to allow it to continue as a going concern for the foreseeable future. However, the ability of the Company to continue as a going concern (including its ability to meet post-petition obligations) and the appropriateness of using the going concern basis for its financial statements are dependent upon, among other things, (i) the Company's ability to comply with the terms of the DIP Financing and any cash management order entered by the Court in connection with the Chapter 11 Cases, (ii) the ability of the Company to maintain adequate cash on hand, (iii) the ability of the Company to generate cash from operations, (iv) confirmation of a plan or plans of reorganization under the Bankruptcy Code, and (v) the Company's ability to achieve profitability following such confirmation.

3. ACQUISITIONS AND DISPOSITIONS OF CABLE TELEVISION SYSTEMS

ACQUISITIONS

In February 2000, a wholly owned subsidiary purchased substantially all of the assets of Star Cable Associates ("Star") serving communities in three states for approximately $111 million in cash and 555,555 shares of the Company's Class A voting common stock. The purchase was financed from proceeds of Cable's $225 million debt offering of 10.5% senior subordinated notes and available cash.

In July 1999, the Company acquired Buford Group, Inc. ("Buford"), for approximately $300 million in cash. Buford operates cable television systems in four states. The acquisition was financed from a) a $95.7 million capital contribution from Brera Classic, LLC ("Brera"), b) proceeds of Cable's 1999 credit facility and c) proceeds of Cable's $150 million private debt offering of 9.375% senior subordinated notes.

The above acquisitions were accounted for using the purchase method and, accordingly, the operating results of the systems acquired have been included in the Company's consolidated financial statements since the date of acquisition.

The following summarized unaudited pro forma financial information assumes the Star acquisition and all related financing and changes to the Company's debt structure had occurred on January 1, 2000. The following pro forma information is not necessarily indicative of the results that would have occurred had the transactions been completed at the beginning of the periods indicated, nor is it indicative of future operating results (in thousands, except per share data):

<Caption>

	2000 (UNAUDITED)
Revenues	$ 185,504
Loss before extraordinary item	(47,769)
Net loss	(62,536)
Basic and diluted loss per share	$ (3.53)

DISPOSITIONS

In October 2001, the Company, through its subsidiaries, sold assets associated with the Breckenridge, Colorado cable system to TCI Cable Partners of St. Louis, L.P. for approximately $16.3 million, subject to working capital adjustments. The Company expects to receive the final payment in the second quarter of 2002. The Company does not estimate receiving more than $1.5 million. This amount is subject to change. On October 24, 2001, the Company's 1999 credit facility was amended to permit the Breckenridge disposition.

During 2000, the Company sold or disposed of some smaller systems that did not fit into the Company's long-term strategic plans.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

REVENUE RECOGNITION

Service income includes subscriber service revenues and charges for installations and connections and is recognized in the period in which the services are provided to the customers. Subscriber services paid for in advance are recorded as income when earned.

Initial installation revenue is recognized as revenue when the service is performed, to the extent of direct selling costs, with any balance deferred and taken into income over the estimated average period that subscribers are expected to remain connected to the system.

INVENTORY

Inventory consists primarily of fiber-optic cable, coaxial cable, electronics, hardware and miscellaneous tools and is stated at the lower of cost or market. Cost is determined using the average cost method.

In the fourth quarter of 2001, the Company wrote-down the value of certain excess and obsolete inventory to fair market value and recorded a pretax expense of approximately $2.0 million. This expense is included in the depreciation and amortization expense line item in the Consolidated Statements of Operations.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings	30 years
Cable television distribution systems	3-12 years
Office furniture and equipment	3-7 years
Vehicles	5 years

Leasehold improvements are amortized over the shorter of their estimated life or the period of the related leases.

Initial subscriber connection costs are capitalized as part of cable television distribution systems. Costs related to disconnects and reconnects of customers are expensed as incurred.

DEFERRED FINANCING COSTS

Deferred financing costs are being amortized to interest expense using the interest method over the terms of the related debt.

INTANGIBLE ASSETS

The useful lives of the specific intangible assets are as follows:

Customer relationships	2-10 years
Franchise marketing rights	1-9 years
Noncompete agreements	2-3 years
Goodwill	1-18 years

Intangible assets are being amortized using the straight-line method over their estimated useful lives. The Star and other acquisitions increased intangible assets by $106.2 million in 2000. These amounts were allocated to identifiable intangible assets based on third party appraisals with any excess amounts recorded as goodwill.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company periodically reviews the carrying amounts of property, plant and equipment, identifiable intangible assets and goodwill both purchased in the normal course of business and acquired through acquisition to determine whether current events or circumstances, as defined in Financial Accounting Standards Board ("FASB") Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, warrant adjustments to such carrying amounts by considering, among other things, the future cash inflows expected to result from the use of the asset and its eventual disposition less the future cash outflows expected to be necessary to obtain those inflows. An impairment loss would be measured by comparing the fair value of the asset with its carrying amount. Any write-down is treated as a permanent reduction in the carrying amount of the assets. Management reviews the valuation and amortization periods of identifiable intangible assets and goodwill on a periodic basis, taking into consideration any events or circumstances that might result in diminished fair value or revised useful life.

During the three months ended September 30, 2001, the Company incurred a net basic subscriber decline of approximately 24,000 subscribers. This represented a 6% decline in the basic subscriber base. Overall for the nine months ended September 30, 2001, the Company had incurred a net basic subscriber decline of approximately 40,000 subscribers. As a result of these declines, the Company determined that various long-lived assets associated with the subscriber base were impaired. Based upon recent third-party cable systems sales of comparable systems, the Company recognized in the third quarter of 2001 an impairment charge of approximately $200 million.

INCOME TAXES

The Company adopted the provisions of the FASB Statement No. 109, Accounting for Income Taxes, upon inception. Accordingly, the liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the tax rates that are expected to be in effect when the differences are expected to reverse, based upon current laws and regulations.

CASH AND CASH EQUIVALENTS

For financial reporting purposes, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash, cash equivalents and accounts receivable. Excess cash is invested in high quality short-term liquid money instruments issued by highly rated financial institutions. Concentrations of credit risk with respect to the Company's receivables are limited due to the large number of customers, individually small balances, short payment terms and required deposits.

BANKRUPTCY ITEMS

Liabilities subject to compromise include all prepetition liabilities (claims) except those that will not be impaired under the proposed reorganization plan, such as claims where the value of the security interest is greater than the claim.

In accordance with the SOP 90-7, revenues, expenses (including professional fees), realized gains and losses, and provisions for losses that can be directly associated with the Company's Chapter 11 filing are reported separately as reorganization items in the Consolidated Statements of Operations.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and other accrued liabilities, approximate fair value because of their short maturities. All bank debt agreements carry variable interest rates and their carrying value is considered to approximate fair value. The estimated fair value of the Company's notes is based on quoted market prices. The carrying amount of the Company's notes was $378.0 million and the fair value was $94.5 million at December 31, 2001.

The Company utilizes interest rate cap and interest rate swap agreements to manage interest rate exposures. The principal objective of such agreements is to minimize the risks and/or costs associated with financial activities. The Company does not utilize financial instruments for trading or other speculative purposes. The counterparties to these contractual arrangements are major financial institutions with which the Company also has other financial relationships. These counterparties expose the Company to credit loss in the event of nonperformance. However, the Company does not anticipate nonperformance by the other parties, and no material loss would be expected from their nonperformance. No such instruments were outstanding at December 31, 2001.

STOCK-BASED COMPENSATION

FASB Statement No. 123, Accounting for Stock-Based Compensation, ("SFAS 123") prescribes accounting and reporting standards for all stock-based compensation plans, including employee stock options. As allowed by SFAS 123, the Company has elected to continue to account for its employee stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2001, the FASB issued Statements of Financial Accounting Standards No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets ("SFAS 142"), effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with SFAS 142. Other intangible assets will continue to be amortized over their useful lives.

The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. During the first six months of 2002, the Company will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002 and has not yet determined what the effect of these tests will be on the earnings and financial position of the Company.

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Results of Operations for a Disposal of a Segment of a Business. SFAS 144 is effective for fiscal years beginning after December 15, 2001, with earlier application encouraged. The Company expects to adopt SFAS 144 as of January 1, 2002 and does not expect that the adoption of the Statement will have a significant impact on its financial position and results of operations.

RECLASSIFICATIONS

Certain reclassifications have been made in the 2000 and 1999 financial statements to conform to the 2001 presentation.

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following (in thousands):

<Caption>

	DECEMBER 31	
	2001	2000
Accounts receivable, trade	$ 7,005	$ 11,599
Accounts receivable, other	1,532	2,425
Less allowance for doubtful accounts ..	(490)	(578)
Accounts receivable net of allowance ..	$ 8,047	$ 13,446

The activity in the Company's allowance for doubtful accounts for the periods ending December 31, 2001, 2000 and 1999 is as follows (in thousands):

<Caption>

FOR THE PERIOD ENDED	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	ACQUIRED	DEDUCTIONS	BALANCE AT END OF PERIOD
December 31, 2001	$ 578	$ 11,263	$ --	$ (11,351)	$ 490
December 31, 2000	415	3,770	--	(3,607)	578
December 31, 1999	325	1,585	412	(1,907)	415

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following (in thousands):

<Caption>

	DECEMBER 31	
	2001	2000
Land	$ 2,489	$ 2,530
Buildings and improvements	10,296	8,968
Vehicles	12,224	11,875
Cable television distribution systems	335,070	308,781
Office furniture, tools and equipment	18,967	17,458
Construction in progress	6,946	24,205
	385,992	373,817
Less accumulated depreciation	(144,692)	(98,364)
	$ 241,300	$ 275,453